MINUTES of the SECOND MEETING of the LAND GRANT COMMITTEE

July 8-9, 2015 Rio Grande Hall, University of New Mexico Taos

The second meeting of the Land Grant Committee for the 2015 interim was called to order by Representative Sarah Maestas Barnes, chair, on July 8, 2015 in Rio Grande Hall at the Taos Campus of the University of New Mexico (UNM).

Present Absent

Rep. Sarah Maestas Barnes, Chair Sen. Jacob R. Candelaria, Vice Chair

Sen. Ted Barela Sen. Sander Rue

Sen. Lee S. Cotter

Rep. David M. Gallegos Rep. Miguel P. Garcia

Rep. Jimmie C. Hall Sen. Linda M. Lopez (7/8)

Sen. Richard C. Martinez (7/8)

Sen. Gerald Ortiz y Pino

Rep. Debbie A. Rodella

Rep. Tomás E. Salazar

Rep. Bob Wooley

Advisory Members

Rep. Eliseo Lee Alcon Rep. Paul C. Bandy Sen. Carlos R. Cisneros Rep. D. Wonda Johnson

Rep. Randal S. Crowder

Rep. Patricia A. Lundstrom

Rep. Matthew McQueen (7/8)

Rep. Christine Trujillo (7/8)

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Mark Edwards, Legislative Council Service (LCS) Michelle Jaschke, LCS Peter Kovnat, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts are in the meeting file.

Wednesday, July 8

Introductions and Announcements

Representative Maestas Barnes welcomed committee and audience members and asked those present to introduce themselves.

Welcome to the UNM-Taos Campus

Mario Suazo, director of business operations, UNM-Taos, welcomed the committee and guests to the UNM-Taos campus. Mr. Suazo reported that UNM offered classes in Taos as early as 1923. UNM-Taos' service area includes Taos County and the Pueblos of Taos and Picuris. The university currently has between 1,600 and 1,700 students enrolled in a wide range of classes at the UNM-Taos main campus and the branch facilities in downtown Taos.

Agricultural Land Preservation Committee — Valuation Options

Peggy J. Nelson, former Eighth Judicial District judge, said that the correct group name for the presenters was the Agricultural Resolution Team (ART). Ms. Nelson reported to the committee on agricultural property taxation issues studied by the ART. Toby Martinez, former state forester, also addressed the committee. Mr. Martinez began the ART as a forum to discuss the issues related to the county assessor's changing valuation of lands as local landowners' traditional agricultural use of their lands became limited by the ongoing drought. Ms. Nelson stated that the loss of special methods of valuation for agricultural lands has resulted in higher taxes on those lands, in many cases increasing the tax liability by thousands of dollars. She reported that this particularly affects elderly members of the acequias and land grant communities.

Ms. Nelson described the ART as a self-directed team working together to discuss land preservation issues and move legislation forward with the help of legislators. Senate Bill (SB) 112, sponsored by Senator Cisneros and Representative Roberto "Bobby" J. Gonzales, passed during the first regular session of the 2015 legislature. SB 112 expands the definition of "agricultural use" for property valuation purposes to include the resting of land under drought and certain other conditions. The legislation enables landowners to restore the agricultural valuation of their land if they work the land for agricultural purposes when a drought eases.

The ART supported other bills that did not move forward during the legislative session this year, including tax relief for elderly landowners, and Ms. Nelson suggested that legislators continue to consider legislation to assist the elderly with land revaluation. Ms. Nelson reported that the focus of the ART has now moved from legislation to land restoration and that the group is seeking to hire a community organizer to further that effort. She provided a handout that reflects common ground principles for diversified agricultural management among the ART's member organizations and provides suggestions for other means of land valuation. Key among

the common ground principles is that agricultural classification is an essential public policy to enable the production of local food and fiber, support local economies, provide food security and incentivize keeping agricultural lands intact.

Lesli Allison, executive director of the Western Landowners Alliance (WLA), provided an agricultural and resource policy report, published by Colorado State University, on the economic implications of differential taxation for agriculture in the Intermountain West. The WLA is concerned about the health and welfare of working lands across the West, according to Ms. Allison, and has focused its attention on New Mexico in an effort to help achieve equity for landowners. Ms. Allison described programs and policies that have been implemented by other states to promote new systems of agricultural lands valuation based on the productive value of that land rather than the sale value. Such use value taxation drives production rather than division of the land and limits consequent rural sprawl.

Ms. Allison noted that there are many stakeholders in the land valuations issue and that they have varied and sometimes opposing interests. She suggested that a combination of diversified land management and stricter enforcement of use value taxation can greatly benefit the state in terms of job creation and natural resource management. The policy report she presented projects that in New Mexico, diversified land management would result in an increase in net benefits of 47% over stricter enforcement of laws alone. New Mexico has the potential to experience a decrease of some 23% in net benefits relative to the baseline if stricter enforcement is the sole policy.

According to Ms. Allison, the high cost of land maintenance is one of the biggest impediments to land preservation and health. Fragmentation of the land results in loss of topsoil, rural sprawl and the inability to successfully manage land and water. Tax and other management policies should be created with the goal of preventing fragmentation to keep the landscape healthy and intact and to try to discourage the "need" to sell. Ms. Allison observed that parceling the land drives land values up and increases costs to the county. The development costs for roads and infrastructure and the related costs of rural sprawl fall to county taxpayers. Land fragmentation poses a significant threat to agriculture, ecological function and wildlife, as well.

The committee discussed the impact of land management policies on water issues in the state. It was noted that acequia associations have had little success in coordinating water use and frequently do not have the power to successfully manage the water that is tied to their cultural identity. One member observed that the Federal Conservation Reserve Program provides payments to landowners to allow land to go back to its natural state. Another member noted that the land is now "dead" in those areas where water rights have been separated from the land. Ms. Nelson talked about establishing a "land bank" to provide landowners an option to preserve their ownership and prevent parceling, and she noted that such a bank might also provide options for managing water rights. She suggested that the committee move forward with a resolution or memorial to study all of these issues.

Committee members proposed that the study not be limited to tax policy but include an examination of other policy means to promote effective land management and preservation. Ms. Allison stated that if one enables diversified use of the land and outlines the requirements needed to keep special tax valuations, then the policies will start to prevent rural sprawl. Members agreed that creative legislation is needed to address the intertwined tax, land management and community issues involved in land preservation. Ms. Nelson stated that the WLA has the expertise to come up with a successful legislative package regarding land use and taxation, as it has in other states.

Cristóbal de la Serna Land Grant-Merced (Cristóbal) — Status Update

Cristóbal Board President Beverly Armijo and Cristóbal Board Member Francisco "El Comanche" Gonzales provided a status update to the committee on: 1) the traditional uses of community lands; 2) the continuing struggles of landowners with respect to a 1941 Tax and Revenue Department decision to divide the land grant into "lineas" for purposes of taxation; and 3) the recent purchase and transference of some 5,000 acres of land to the United States Forest Service and the Pueblo of Taos of land that had historically been part of the common lands of the Cristóbal Land Grant. According to County Assessor Abel Montoya, lineas, tracts of land assigned to land grant heirs, range from three feet to 160 feet wide and may extend for five miles in length. This presents obvious difficulties for land use and development, tax assessment and the transfer of lands.

Mr. Gonzales played a video for the committee that described the traditional uses of the land by land grant heirs. He showed the committee a plat of the lands in question, showing the severe divisions created by the lineas and stated that the Cristóbal members want funding to acquire the lineas to reestablish the area in question as a community land grant. Mr. Gonzales reported that the Cristóbal land grant initially included over 22,000 acres, but it now has no community lands. Taxation on the lineas has created hardships among the already struggling landowners and has resulted in multiple other divisions and parceling of the lands. In some cases, due to the imposition of lineas boundaries onto the Cristóbal Land Grant, some of the lands are now subject to double taxation. Committee members suggested that agencies with some jurisdiction over the issue of double taxation of the lands be identified and asked to present clarifying information to the committee.

Ms. Armijo stated that a primary issue of concern to the Cristóbal members is how the U.S. Forest Service will use the 5,000 acres of land recently purchased from one private owner of a large tract within the land grant. She asked: 1) if the U.S. Forest Service plans to resell the land for private ownership; 2) whether grazing, wood hauling and other traditional uses will be allowed; and 3) whether the U.S. Forest Service plans to sell water rights from the land.

5,000 Acres — Traditional Community Use and Public Ownership

Carson National Forest Supervisor James Duran addressed the committee and stated that he did not immediately have answers to the Cristóbal members' questions regarding the use of the 5,000 acres. He offered to meet with the Cristóbal members to discuss the issues and agreed to

return to the October meeting of the Land Grant Committee with the Cristóbal board members to provide an update on the discussions. Mr. Duran stated that federal land acquisitions for the U.S. Forest Service are rare and complex. The purchase of the 5,000 acres is being accomplished in three parts. Although acquisition of one of the parcels is not yet complete, the entire purchase will become part of the Carson National Forest. He allowed that purchase of the lands is a way to ensure that development will not take place on those lands.

Committee members discussed the purchase of some of the land in question by the Trust for Public Lands (TPL). The TPL subsequently deeded the land and the hot springs on the land to the Pueblo of Taos. Cristóbal members stated that they consider the springs to be a part of their community lands. Committee members suggested that the TPL be invited to come before the committee to explain what the TPL does and also to explain what the legislation establishing land grants-mercedes as political subdivisions enables. A committee member also proposed contacting the TPL to explore adding an outreach program for land grants-mercedes similar to the outreach program the TPL now operates for tribes. Committee members asked that more information be developed and presented to the committee on the issue of establishing a "land bank".

Don Fernando de Taos Land Grant-Merced (Don Fernando de Taos) — Status Update

Don Fernando de Taos Board Chair Frank "Skitt" Trujillo provided a status update to the committee. He discussed the land grant-merced's request to Congress for transfer of public lands to Don Fernando de Taos, and he provided members a copy of that request. Mr. Trujillo stated that 80% of the Don Fernando de Taos lands are now controlled by the U.S. Forest Service. He discussed some of the historical background of land grants-mercedes and invited committee members to attend the America's Spanish Borderlands Conference that Don Fernando de Taos is hosting in Albuquerque in September. The chair requested that staff ask the New Mexico Legislative Council for approval for members to attend the conference.

Department of Game and Fish

Alexa Sandoval, director of the Department of Game and Fish (DGF), updated the committee on the department's overall land management issues and policies. She said that the Gaining Access Into Nature Program in Pecos Canyon has been placed on hold, although it is intended to be expanded to all of the DGF properties. Ms. Sandoval described a new approach under her leadership to provide open access to all activities on DGF properties unless an area is specifically closed to certain activities. The proposed changes are still under discussion, and Ms. Sandoval observed that a long process is involved in changing existing rules. She further described the core agenda items for the DGF, including large-scale habitat restoration projects coordinated with the U.S. Forest Service and the Bureau of Land Management (BLM). Ms. Sandoval reported that the department has funding to implement multi-year, 100,000 to 200,000 acre habitat restoration projects that will address wildfire prevention and wildlife habitat needs. In response to committee members' questions, Ms. Sandoval reported that the Elk-Private Lands Use System (E-PLUS) may provide a means to promote traditional uses of the land. She offered to provide a forum for the land grants-mercedes to provide information and discuss E-PLUS.

Development of a Management Plan for the Rio Grande del Norte National Monument

Rio Grande del Norte National Monument Manager John Bailey presented a copy of the presidential proclamation establishing the Rio Grande del Norte National Monument to the committee and gave an overview of how the community has been involved thus far in developing a management plan for the monument lands. He pointed out that the proclamation protects certain traditional uses of the land as requested by land grant heirs. Mr. Bailey noted that the provisions of the proclamation set the goals for the management plan but that the BLM must comply with the evaluation and public process requirements of the National Environmental Policy Act in developing the plan.

BLM Planning and Environmental Specialist Brad Higdon reported to the committee on cooperating agencies (CAs) and the BLM planning process for the monument. The CA planning framework employed by the BLM provides an opportunity to incorporate local knowledge of economic, social and environmental conditions and to address intergovernmental issues to promote effective management. Mr. Higdon stated that the BLM has to consider a range of options in its planning process and has to limit some activities to protect and preserve special features of the land and maximize beneficial uses.

Esther Garcia, San Antonio del Rio Colorado Land Grant-Merced (San Antonio) board president, addressed the committee to describe San Antonio's involvement in the planning process. She reported that she had worked since 2007 to provide input on establishing the monument and to help develop a management plan that would preserve and protect traditional uses of the land, including piñon picking and firewood collection. Ms. Garcia stated that former United States Secretary of the Interior Ken Salazar had worked with San Antonio to help preserve norteño input in the planning process. BLM New Mexico Office Deputy Chief for Communications Lisa Rivera Morrison stated that United States Senators Tom Udall and Martin Heinrich had also worked with President Barack Obama to ensure local input and establish the monument. Committee members discussed the breadth of presidential authority to set aside lands pursuant to the federal Antiquities Act of 1906 under which the monument was proclaimed.

Representative Rodella moved to approve the minutes of the meeting of June 10, 2015, and Senator Martinez seconded the motion. The motion passed without objection. There being no further business before the committee, the committee recessed at 4:24 p.m.

Thursday, July 9

Tour of Questa, Cerro and the Rio Grande del Norte National Monument

Committee members toured the St. Anthony's mission church under restoration in Questa, a morada in Cerro and parts of the Rio Grande del Norte National Monument.